

TEACHERS' RETIREMENT BOARD
BENEFITS AND SERVICES COMMITTEE

SUBJECT: Level of Service Standards

ITEM NUMBER: 7

ATTACHMENT: 1

ACTION:

DATE OF MEETING: December 6, 2001

INFORMATION: X

PRESENTERS(S): Michael Carter

EXECUTIVE SUMMARY

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the delivery of benefits and services to CalSTRS members. The following are reports for the month of October 2001.

I. Overview

- A. CalSTRS paid a total of 173,847 benefit recipients \$346,035,487 in October 2001. The average monthly allowance roll for FY 2001-02 is \$340,880,997. Total disbursements for FY 2001/02 are \$1,363,523,987.
- B. Service Levels: Service Retirement initial payments and Disability benefits continue to meet established service levels. Service Retirement "Finalizations" backlogs can now be reduced due to the recent processing of school district reports on the START System. It is estimated that 90 percent of the June 2001 retirements will be "finalized" by December 31, 2001.

Survivor Benefit payments are showing service level improvements and two of three recently authorized positions have been filled. Overtime continues to be worked and process improvements are being implemented. Backlogs for this benefit are expected to be eliminated in January-February 2002.

PSO customer service representative positions have been advertised at the downgraded PPR (technical entry level) with the \$100 call center differential. A quarter-page *Capitol Weekly* ad highlighting key CalSTRS positions began running on October 8. Application volumes increased significantly and interviews were scheduled beginning in mid October. Fourteen job offers were made; 9 were picked up and 5 are pending freeze exemption requests.

Seven students completed training; 6 began individual phone schedules on October 15 and one on November 1. This added 93 phone hours per week. One new student resigned prior to completing her training. The PSO now has 10 fully-trained students taking calls on a part-time basis.

The Billing Services Unit was launched October 15. Eight PSO staff moved to the headquarters building to begin the start-up. With the BCPs approved in the September *Budgets and Audits Committee*, this unit will eventually be staffed with 1 Pension Program Supervisor, 1 Senior Pension Program Representative, 8 Pension Program Representatives, and 5 Retired Annuitant Pension Program Representatives. Students may also be added depending upon space availability and hiring exemptions. This unit began taking phone calls when the phone tree design was implemented on October 26.

The Interactive Voice Response (IVR) System was designed in START and delivered for end user acceptance testing on October 11. Testing was completed and the IVR voice response system was re-implemented on October 26. During its first two weeks of operation, the IVR system took 4,350 calls from our members.

As a result of the above, there have been significant customer service improvements. Calls answered in 3 minutes rose to 52% in September and 51% in October from a low of 38% in August. Members were much more likely to reach a customer service representative with the drop in busy messages from 142,519 in August, to 73,625 in September and 67,852 in October. Consequently, E-mail volumes decreased significantly to an average of 20 per day in October as members were better able to gain access to information through the phone system. Staff expects continued service level improvements in November and December.

C. Interest Payments: None were made for Disability benefits. Service Retirements paid \$562 for 12 applications. Survivor Benefits paid \$11,470 for 163 reported deaths. This is in comparison to \$18,800 paid for 280 cases in September 2001. This increase is directly attributable to the February 2000 downtime initiation and resultant backlog of Survivor Benefit cases.

II. Individual Program Reports: Pages 1-7

III. Miscellaneous Items: Pages 8 - 9

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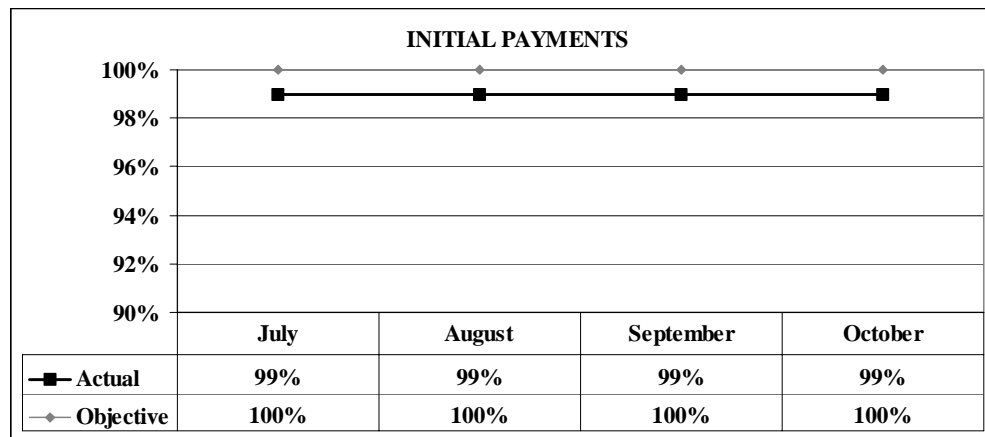
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Service Retirements

Objective Process 100 percent of all service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.

Application Volume Change Plus 62 percent in comparison to same period last fiscal year.

Baseline FY 1998/99 actual: 99 percent



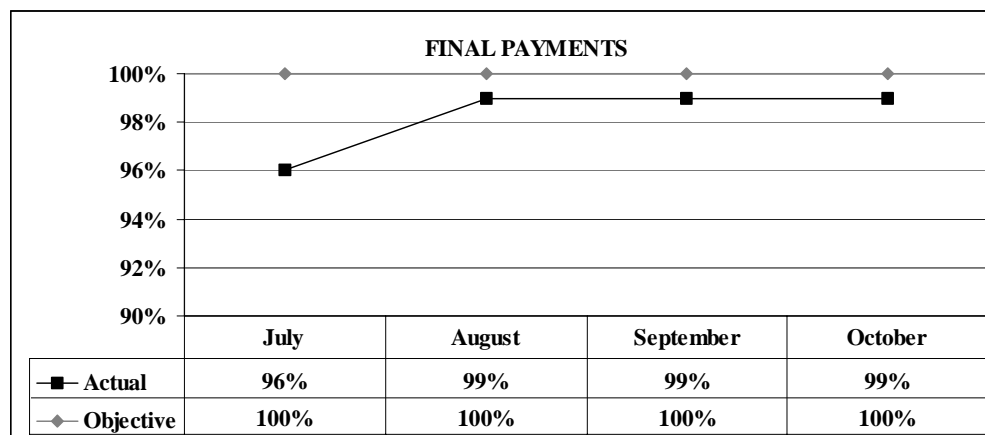
Year to Date Average: 99%

Objective Process 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.

Interest Payments October 2001: 12 payments/\$532

Current Year Cumulative:
62 payments/\$1512
Current Year Monthly Average:
16 payments/\$378
Prior Year Monthly Average:
43 payments/\$462

Baseline FY 1998/99 actual: 98 percent



Year to Date Average 98%

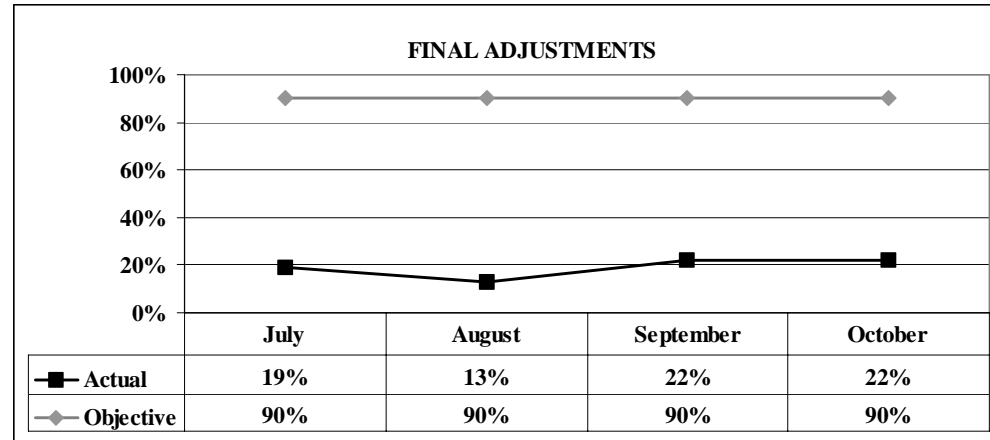
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Service Retirements

Objective Finalize 90 percent of all payments within four months of the retirement effective date.



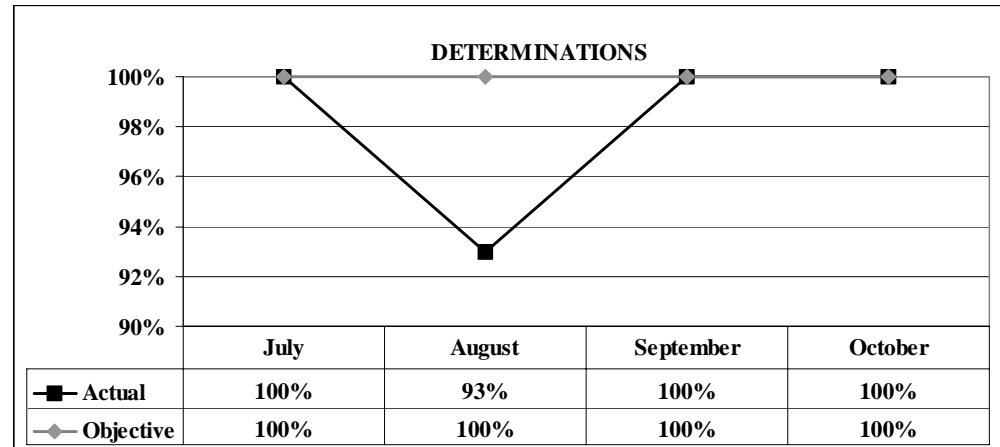
Baseline FY 1998/99 actual: 91 percent

Year to Date Average: 19%

Disability

Objective Process 100 percent of all eligible applications within 180 days of receipt.

Application Volume Change Plus 20 percent in comparison to same period last fiscal year.



Baseline FY 1998/99 actual: 99 percent

Year to Date Average: 98%

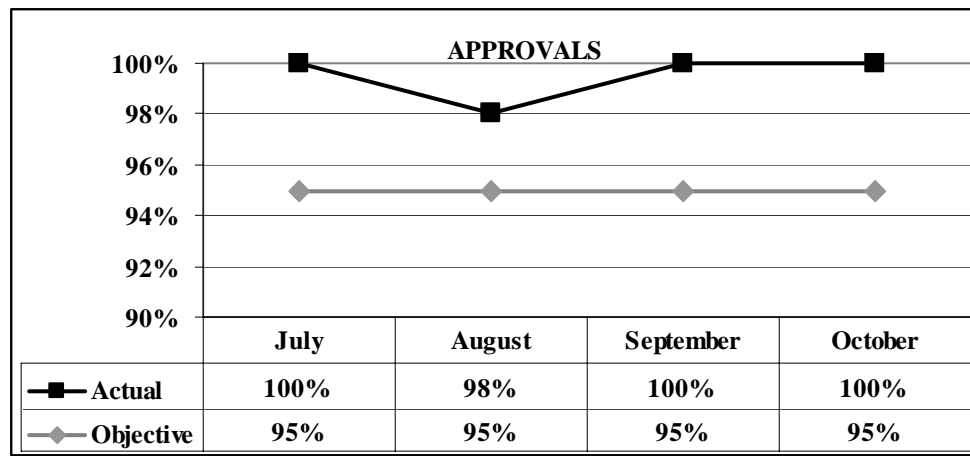
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Disability

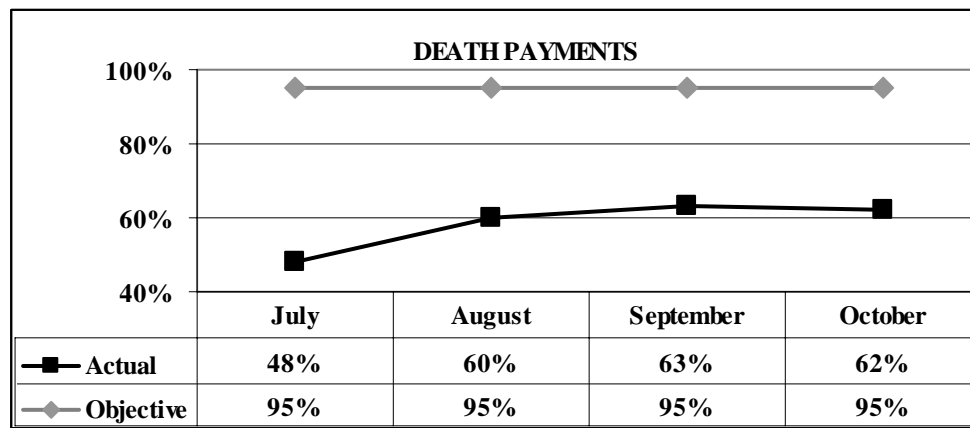
Objective	Process 95 percent of all approvals within 30 days of receipt of all necessary information.
Interest Payments	October 2001: None Current Year Cumulative: None Current Year Monthly Average: None Prior Year Monthly Average: None
Baseline	FY 1998/99 actual: 100 percent



Year to Date Average: 100%

Survivor Benefits

Objective	Process 95 percent of all applications within 30 days of receipt of all necessary information.
Interest Payments	October 2001: 163 Payments/\$11,470 Current Year Cumulative: 912 payments/\$51,981 Current Year Monthly Average: 228 payments/\$12,995 Prior Year Monthly Average: 23 payments/\$994
Baseline	FY 1998/99 actual: 97 percent



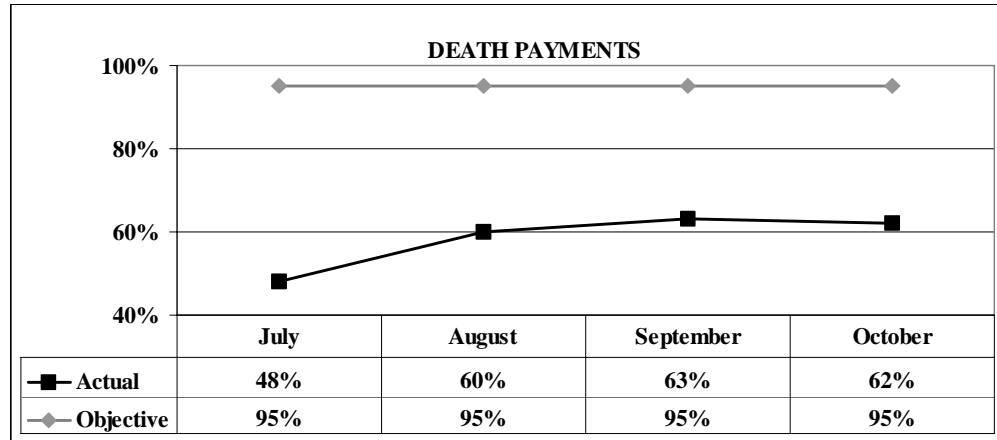
Year to Date Average: 58%

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Objective Complete 95 percent of all payments for retired members within 90 days of receipt of notification of death.



Baseline FY 1998/99 actual: 93 percent

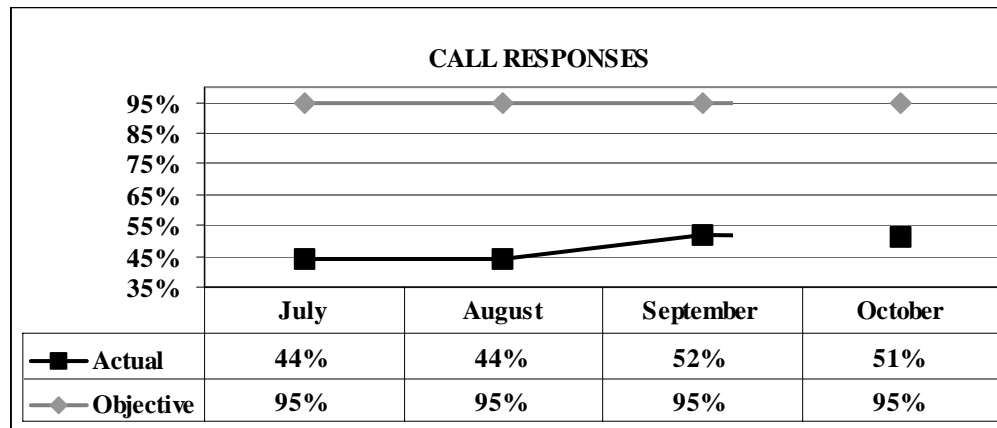
Year to Date Average: 49%

Public Service

Objective Answer 95 percent of all calls in less than three minutes.

Volume Change 15.92 percent decrease.

Notes Average queue time: 184 seconds
Longest queue wait: 19 minutes



Baseline FY 1998/99 actual: 94 percent
FY 1996/97 Objective:
75 percent in less than three minutes.

Year to Date Average: 48%

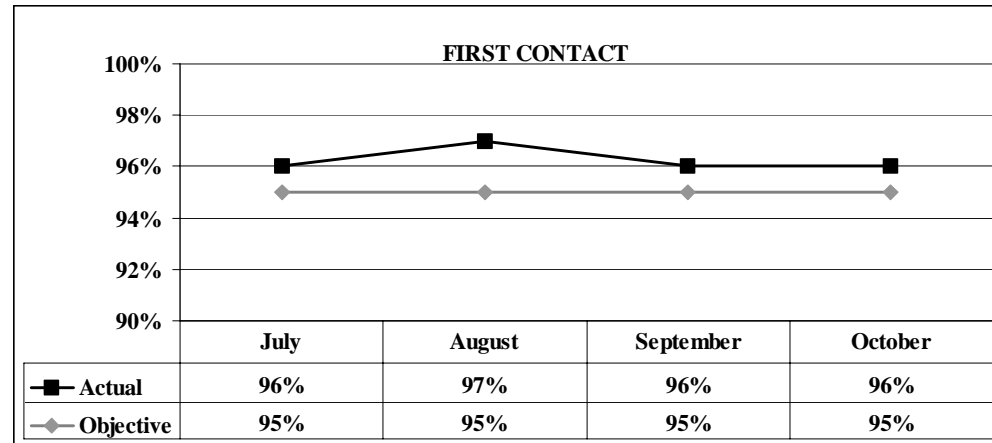
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Public Service

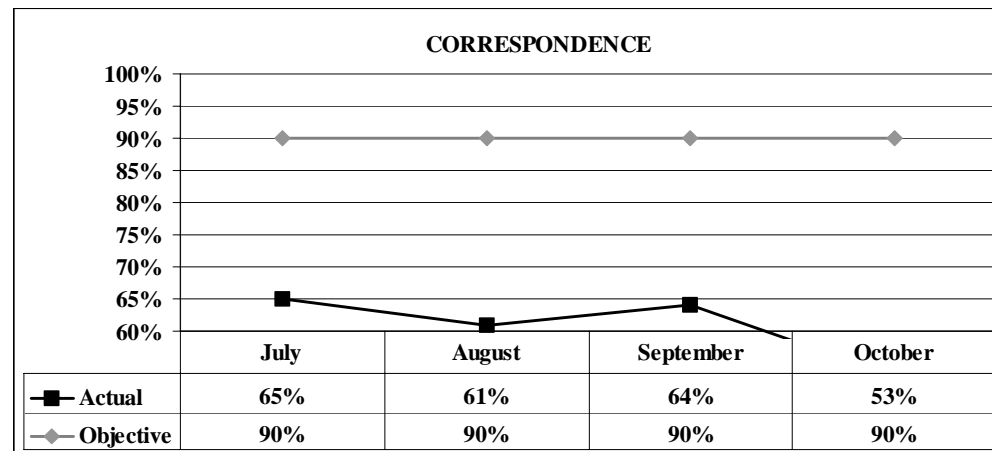
Objective Answer 95 percent of all calls on the first contact.



Baseline FY 1998/99 actual: 98 percent

Year to Date Average: 96%

Objective Respond to 90 percent of all correspondence in ten working days.



Baseline FY 1998/99 actual: 94 percent

Year to Date Average: 61%

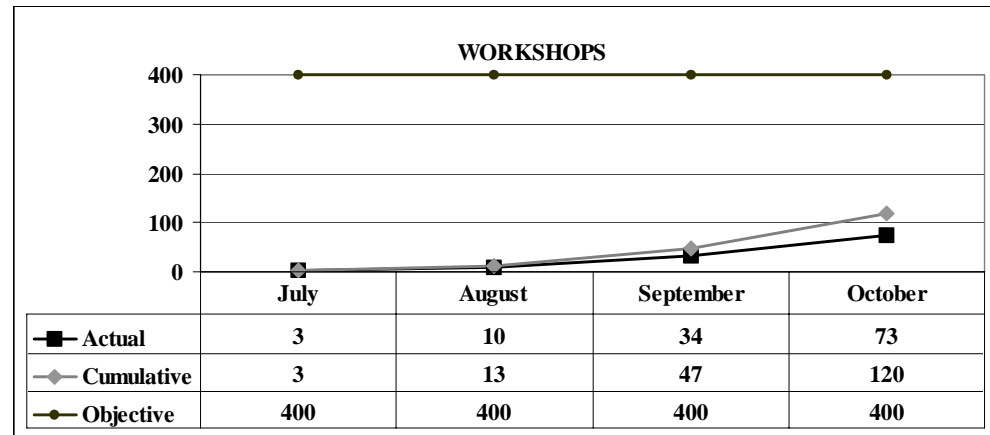
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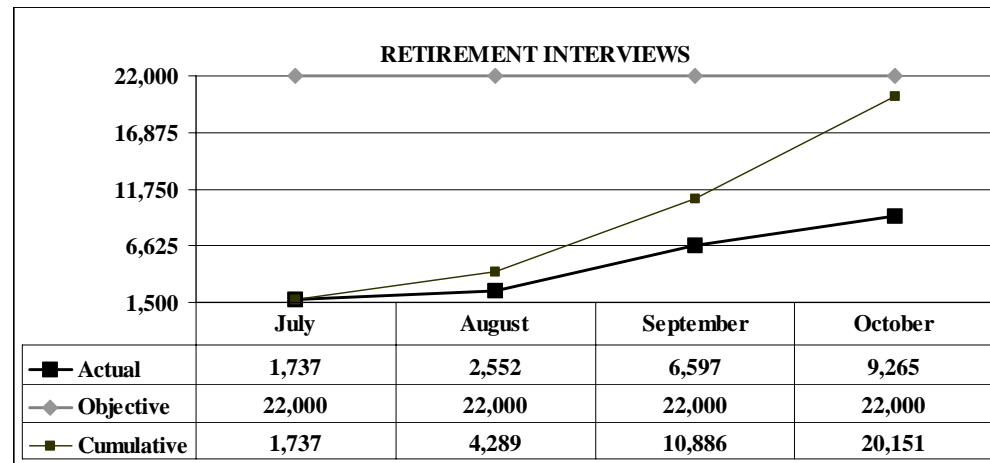
Regional Counseling Services

Objective Conduct 400 workshops



Baseline FY 1998/99 actual: 491

Objective Provide 22,000 retirement interviews.



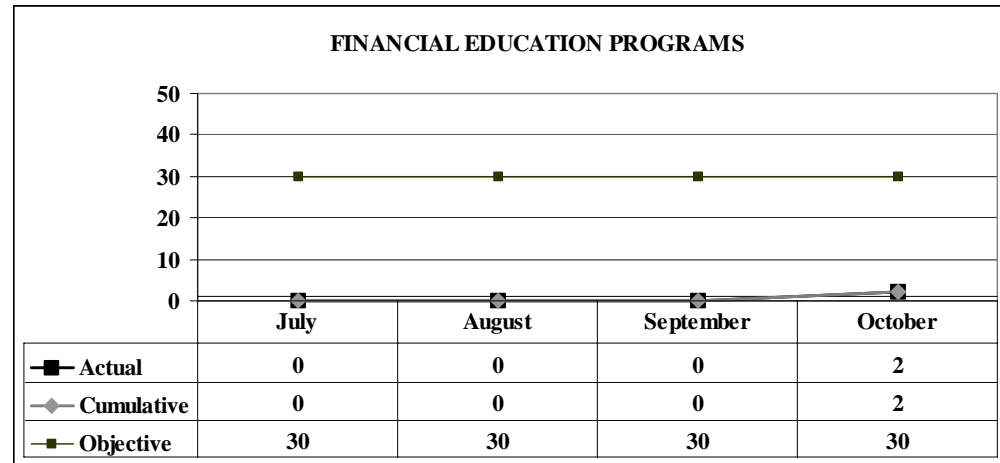
Baseline FY 1998/99 actual: 24,657

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Objective Deliver 41 Financial Education Program to CalSTRS members.



Baseline FY 1998/99 actual: 32

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III. Miscellaneous

A. Outstanding Survivor Benefit Cases:

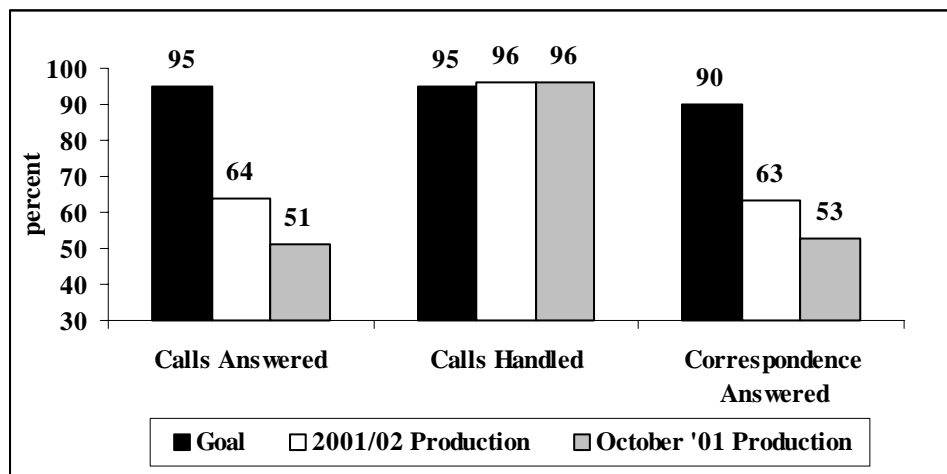
The Education Code requires a report to the Board on outstanding Survivor Benefit cases not paid within six months of the notification of death. As of October there were 1,178 exceeding this threshold. In September 2001, there were 684 cases beyond the six-month processing period, while in August there were 566 cases exceeding the six-month threshold.

B. One-Year Final Compensation: During the current fiscal year, no school districts have chosen to participate in this program.

C. Golden Handshake:

October - 2000	29 districts / 88 participants
October - 2001	21 districts / 34 participants

D. Telephone Center:



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D. Telephone Center: (continued)

